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CLAIMS

What Is Claimed Is:

1. A method for completing a credit card transaction in which a credit card holder uses a transponder in place of the plastic card during a credit card transaction, the method comprising the steps of:

assigning a credit card number to a transponder as its tag number;
using the transponder in place of the credit card;
providing a credit card owner with the transponder;
retrieving the credit card number from the database maintained by the credit card company using the transponder;
authenticating the transaction after verifying the credit card number through database search; and
informing the merchant of the authentication and charging of the credit card.

2. The method of claim 1, wherein the said transponder has a keypad.

3. The method of claim 1, wherein the said transponder can be programmed with a personal identification number.

4. A method for completing a credit card transaction in which a credit card holder uses a transponder in place of the plastic card during a credit card transaction, the method comprising the steps of:

initiating a transaction when a card holder points the transponder at a reader and enters a personal identification number on the transponder;
wirelessly transmitting the credit card number to the reader;
searching the database for the credit card number;
authenticating the transaction after verifying the credit card number through database search; and
completing the transaction by charging the credit card.